



Signed and Filed: November 5, 2024

Lewis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

ORDER SETTING SCHEDULE FOR PRE-TRIAL AND
ADJUDICATION OF SECURITIES FRAUD CLAIMS

The court has considered the *Statement in Support of Reorganized Debtors' Proposed Case Schedule* (Dkt. 14628), the *Statement in Support of the Case Schedule Jointly Proposed by PERA and The RKS Claimants* (Dkt. 14629), and the argument of counsel at the hearing on October 30, 2024.

1 Early in this Chapter 11 case, the court declined to
2 certify a class action requested by PERA and chose to proceed,
3 at Debtors' urging, with a more traditional bankruptcy court
4 claims process that initially included over 7,000 claims. Since
5 then, a large number of claims have been resolved, either
6 consensually or by Reorganized Debtors' objections. As to the
7 remaining claims asserted or prosecuted by PERA and RKS, the
8 Reorganized Debtors filed their 33rd and 34th Securities Claims
9 Omnibus Objections (Dkts. 14200 and 14203) and thereafter made
10 their Sufficiency Objections (similar to motions to dismiss in
11 traditional civil or bankruptcy court litigation). From that
12 came the court's September 18, 2024 Memorandum Decision (Dkt.
13 14593); next, RKS filed its Second Amended Statement of Claim
14 (Dkt. 14603) and PERA stood on its Third Amended Complaint
15 pending in the parallel district court action.

16 Now, the court must consider an efficient schedule for
17 resolution of the 33rd and 34th Securities Claims Omnibus
18 Objections. In general, the court agrees with the Reorganized
19 Debtors' approach. The suggested schedule by PERA and RKS
20 stretches pre-trial discovery into two separate phases, and
21 their proposal puts the burden of production solely on the
22 Reorganized Debtors in phase one. Although the Reorganized
23 Debtors' approach may be more burdensome for the claimants, it
24 is more balanced in its imposition of effort and more
25 traditional in the way in which district courts and bankruptcy
26 courts adjudicate matters, albeit usually not as complicated or
27 extensive as the present ones.

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1 As an additional comment, the court does not accept that
2 summary judgments (or even partial adjudications under FRCP
3 52(c), incorporated by FRBP 7052) are either inefficient or
4 unnecessary. They may be wholly dispositive in some instances.
5 In that regard, it is highly likely that there will be a phasing
6 of the evidentiary hearings, and more specifically, a
7 bifurcation to avoid extensive inquiry into particular
8 claimants' damages before first determining whether those
9 claimants have sustained their individual burdens of proving
10 reliance. For the same reason, there may be matters that bear
11 upon Reorganized Debtors' liability that are case dispositive at
12 some earlier point and support partial adjudication against
13 them.

14 A further observation is that in December, 2023, there were
15 substantially more claims, more separately represented claimants
16 and a larger number of overall matters to be dealt with. Thus,
17 the nine-month and three-month periods for fact discovery and
18 expert discovery as established by the *Order Authorizing*
19 *Amendment and Objection Procedures for Securities Claims* (Dkt.
20 13934) seems excessive. The court has stated many times over
21 several years, that some claimants suffered their losses now
22 nearly nine years ago and it is now time for resolution of these
23 matters.

24 A further observation is that class certification may no
25 longer be efficient or necessary. As stated at the hearing, the
26 court will keep an open mind about this but has some doubts
27 about the efficacy of proceeding on that track at this point.
28 Whether it permits a class certification or not, it will keep in

1 mind and urges all the parties to remember, the statement made
2 by PERA and RKS in Dkt. 14629 that "the motion [class
3 certification] may not delay any discovery in the matter."

4 With that in mind, the court has decided to move more
5 quickly and accept, with some modifications, the schedule
6 proposed by Reorganized Debtors, as follows:

7 **November 21, 2024** - Parties may begin serving discovery
8 requests

9 **December 5, 2024** - Parties to exchange initial disclosures

10 **December 23, 2024** - PERA Class Certification Motion
11 (optional, but waived if not filed)

12 **January 10, 2025** - PG&E to begin producing, after
13 meeting and conferring with PERA and RKS, relevant
14 documents from among the *more than 5 million documents*
15 produced in prior litigations related to the North Bay Fires
16 and Camp Fire

17 **February 6, 2025** - Class Certification motion Opposition

18 **February 27, 2025** - Class Certification motion Reply

19 **March 11, 2025, 10:00 AM** - Hearing on Class Certification
20 motion

21 **March 21, 2025** - Parties to substantially complete
22 rolling document productions for document requests served
23 on or before December 31, 2024

24 **August 29, 2025** - Fact discovery cutoff

25 **September 26, 2025** - Opening expert reports for the party
26 bearing the burden of proof

27 **October 24, 2025** - Rebuttal expert reports. **No expert**
28 **replies.**

1 December 19, 2025 - Expert discovery cutoff

2 January - March, 2026 - Summary judgment briefing and
3 hearing

4 April 2026 - Evidentiary hearing

5 ****END OF ORDER****

COURT SERVICE LIST

ECF Recipients